

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7386**

**BILL NUMBER:** HB 1604

**NOTE PREPARED:** Jan 12, 2009

**BILL AMENDED:**

**SUBJECT:** Fort Wayne Capital Improvement Board.

**FIRST AUTHOR:** Rep. GiaQuinta

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill establishes a Capital Improvement Board for Fort Wayne. It provides for a Board of Managers composed of appointees by the Mayor, the City Council, and the County Board of Commissioners. It provides that the Supplemental Coliseum Expansion (Food and Beverage Tax) Fund is controlled by the Board instead of the county and must still be used for the coliseum as provided in the Allen County Supplemental Food and Beverage Tax law. It provides that the World War Memorial Coliseum is a Joint County-City memorial under the World War Memorial law. The bill also provides that the Fort Wayne Capital Improvement Board serves as the Board of Trustees for the World War Memorial Coliseum under the World War Memorial law, and repeals superseded provisions.

**Effective Date:** June 1, 2009; July 1, 2009.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** This bill establishes the Fort Wayne Capital Improvement Board. The Board will be composed of 9 members, who do not receive a salary, but will receive reimbursement for any expenses incurred that are related to the duties of the Board.

The bill permits the Board to: (1) acquire, construct, and operate capital improvements, and to repair, remodel, or add to capital improvements it builds or acquires; and (2) retain the services of architects, engineers, accountants, attorneys, and consultants and hire employees upon terms and conditions it establishes. The bill specifies various other powers of the Board relating to the acquisition and operation of

capital improvements. The bill requires the Board to prepare an annual operating budget and submit the budget for review, approval, or rejection by the Fort Wayne city council.

The bill permits the Board to finance capital improvements by issuing revenue bonds, provided the Board adopts a resolution authorizing the bond issue and the resolution is approved by the Mayor of Fort Wayne. The bill also requires the Board to provide specified information about the bond issue to the Fort Wayne city council before adopting the authorizing resolution and requires that the city council discuss the information at a public hearing. The bonds may be payable from: (1) net income received from the operation of the capital improvement being financed; (2) net income from the operation of any other capital improvement not required to be deposited in the capital improvement bond fund for the capital improvement; (3) revenue from the Food and Beverage Tax deposited in the Supplemental Coliseum Expansion Fund not otherwise pledged before July 1, 2009; or (4) other sources specified in the bill. The term of a bond issue may not exceed 40 years.

The bill also permits the Board to finance capital improvement by issuing general obligation bonds of the city. To do so the bond issue must be approved by the city council and mayor of Fort Wayne.

**Explanation of Local Revenues:** This bill transfers authority and control of the Supplemental Coliseum Expansion Fund to the Fort Wayne Capital Improvement Board. The bill also provides for a Capital Improvement Fund and a Capital Improvement Bond Fund to be administered by the Fort Wayne Capital Improvement Board.

*Supplemental Coliseum Expansion Fund:* The authority to administer this fund will be transferred from Allen County to the Fort Wayne Capital Improvement Board. The money in the fund, (revenue from the Food and Beverage Tax), will still be used for the coliseum. Revenue from the Food and Beverage Tax totaled about \$5.5 M in FY 2008.

*Capital Improvement Fund:* The proceeds of the Food and Beverage Taxes received will be deposited in the Capital Improvement Fund, unless there are bonds or notes outstanding and secured in whole or in part by money deposited in the Supplemental Coliseum Expansion Fund or the Capital Improvement Bond Fund. Gross income from the operation of capital improvements will be deposited in the Capital Improvement Fund.

*Capital Improvement Bond Fund:* Tax revenues not deposited in the Supplemental Coliseum Expansion Fund will be deposited in the Capital Improvement Bond Fund if there are bonds outstanding. Amounts in the Capital Improvement Bond Fund will be applied to the payment of principal of the bonds and their interest.

**State Agencies Affected:**

**Local Agencies Affected:** Fort Wayne Capital Improvement Board; Fort Wayne Mayor; Fort Wayne City Council.

**Information Sources:**

**Fiscal Analyst:** Jessica Harmon, 317-232-9854.